

in any respect of preparation, creation, or placing of advertising, and that respondents secure a signed statement acknowledging receipt of said order from each such person.

It is further ordered, That respondents, for purposes of notification only, notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent, such as dissolution, assignment, or sale, resultant in the emergence of a successor corporation, the creation or dissolution which may affect compliance obligations arising out of the order.

It is further ordered, That respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth, in detail, the manner and form in which they have complied with the order to cease and desist contained therein.

IN THE MATTER OF

OHIO CHRISTIAN COLLEGE (OF CALVARY GRACE
CHRISTIAN CHURCHES OF FAITH, INC.), ET AL.

ORDER, OPINION, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket 8820. Complaint, July 29, 1970—Decision, May 19, 1972

Order requiring a Columbus, Ohio, correspondence school to cease using the word "college" or any similar misrepresentation, conferring any academic degrees, misrepresenting respondent as having resident classes and accredited curricula, implying that the State of Ohio or any other governmental body recognized respondents' programs, misrepresenting respondents' offer a unique method of instruction, using the name "National Educational Accrediting Association," and misrepresenting that any of respondents' businesses is a bona fide organization of guidance counselors.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that OHIO CHRISTIAN COLLEGE (Of Calvary Grace Christian Churches of Faith, Inc.), a corporation, ALPHA PSI OMEGA SOCIETY, a corporation, Alvin O. Langdon, Leeta O. Langdon, Gene Thompson and Jerry Weiner, individually and as officers of said corporations, and Alvin O. Langdon, an individual trading as National Educational

Complaint

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Accrediting Association, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PAR. 1. Respondents OHIO CHRISTIAN COLLEGE (of Calvary Grace Christian Churches of Faith, Inc.) and ALPHA PSI OMEGA SOCIETY are corporations organized, existing and doing business under and by virtue of the laws of the State of Ohio, with their principal office and place of business located at 1161 South Yearling Road, Columbus, Ohio.

Individual respondent Alvin O. Langdon, Leeta O. Langdon, Gene Thompson and Jerry Weiner are officers of said corporations. They formulate, direct and control the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth. The address of Alvin O. Langdon and Gene Thompson is the same as the principal place of business of the corporate respondents and the address of Leeta O. Langdon is 1156 Striebel Road, Columbus, Ohio. The address of Jerry Weiner is 88E. Broad Street, Columbus, Ohio.

Respondent Alvin O. Langdon, trading as National Educational Accrediting Association, has his principal place of business at 1161 South Yearling Road, Columbus, Ohio.

The respondents herein cooperate and act together in carrying out the acts and practices hereinafter set forth.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution, or assisting and aiding in the sale, of textbooks and correspondence courses in a variety of subjects, diplomas, degrees, transcripts, certificates of membership and certificates of accreditation, to the purchasing public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, said textbooks, correspondence courses, diplomas, transcripts, certificates of membership and certificates of accreditation, when sold, to be transported from respondents' places of business in the State of Ohio to purchasers thereof located in various other States of the United States and respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products and services, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid, and for the purpose of inducing the sale of their products and serv-

ices, respondents have made many statements and representations regarding their products and services in advertisements, circulars, brochures, pamphlets and other advertising and promotional material. By and through the use of such statements and representations and by and through the use of the words "college," "association" and "society" as a part of their corporate or trade names, respondents have represented, directly or by implication, that:

1. Respondent Ohio Christian College (Of Calvary Grace Christian Churches of Faith, Inc.) is a non-profit residence school which offers residence instruction by a staff of faculty members who are trained and competent to teach the courses of a properly accredited and recognized college and it offers a curriculum which is accredited by a recognized accrediting agency.

2. Respondent Ohio Christian College (Of Calvary Grace Christian Churches of Faith, Inc.) and the diplomas and degrees offered with its courses are recognized by various institutions, agencies, organizations and persons, and that the person to whom respondent awards a diploma or degree will be recognized as having completed and shown proficiency in a curriculum which has been approved by a recognized accrediting agency as necessary to earn the diploma or degree awarded and that the person to whom the diploma or degree is awarded is entitled to and will receive the honors, privileges and rights of persons who have been awarded diplomas or degrees with the same names from schools accredited by recognized accrediting agencies.

3. The correspondence courses offered by respondent Ohio Christian College (Of Calvary Grace Christian Churches of Faith, Inc.) contain all the subject matter, material, study and hours of residence courses offered by a school properly accredited by a recognized accrediting agency to obtain a college or theological degree.

4. The State of Ohio has approved or sanctioned the respondents' courses of instruction and issuance of diplomas.

5. Respondent Ohio Christian College (Of Calvary Grace Christian Churches of Faith, Inc.) is using and offers a unique method of instruction and study that is widely approved and accepted by educational authorities.

6. National Educational Accrediting Association is a recognized bona fide accrediting agency for schools and is a part of or has some connection with the National Education Association, a well-known and long-established organization of teachers and other persons interested in the field of education.

7. Respondent Alpha Psi Omega Society is a bona fide organization of guidance counselors and other persons interested in the field of counseling joined together for common interest and said society has founded and sponsors and maintains a home for homeless boys in Columbus, Ohio.

PAR. 5. In truth and in fact:

1. Respondent Ohio Christian College (Of Calvary Grace Christian Churches of Faith, Inc.) is a profit making organization, and it is not a residence school that offers residence instruction. Said respondent has no faculty members who are trained and competent to teach accredited and recognized college undergraduate or graduate courses of any kind; nor does it offer a curriculum in said fields which is accredited by a recognized accrediting agency, and it is not so recognized.

2. The diplomas and degrees awarded by Ohio Christian College (Of Calvary Grace Christian Churches of Faith, Inc.) are not approved or accepted by any recognized educational institution, agency, person or organization, nor is the person who receives such a diploma or degree recognized as having completed and shown proficiency in a curriculum approved by a recognized accrediting agency necessary to earn such a diploma or degree. The persons to whom the respondents' diplomas or degrees are awarded are not entitled to and will not receive all the rights, privileges and honors as persons awarded diplomas or degrees of the same name by schools accredited by a recognized accrediting agency.

3. The courses offered by respondent Ohio Christian College (Of Calvary Grace Christian Churches of Faith, Inc.) do not contain the material, study and hours of residence courses given by a school accredited by a recognized accrediting agency, to obtain diplomas or degrees of the same names as those offered by respondent.

4. Neither the State of Ohio nor any other governmental or political subdivision has approved respondents' courses of study and the issuance of their diplomas or degrees.

5. Respondent Ohio Christian College (Of Calvary Grace Christian Churches of Faith, Inc.) is not using a unique method of instruction and study that is widely approved and accepted by educational authorities.

6. National Educational Accrediting Association is not a recognized bona fide accrediting agency for schools and it has no connection with the National Education Association.

7. Respondent Alpha Psi Omega Society is not a bona fide organization of guidance counselors and other persons interested in the field of counseling joined together for common interest and said respondent has not founded, sponsored or maintained a home for homeless boys.

Therefore, the statements and representations as set forth in Paragraph Four hereof were, and are, false, misleading and deceptive.

PAR. 6. By and through the use of the aforesaid acts and practices, respondents place in the hands of individuals the means and instrumentalities by and through which they may mislead and deceive others as to the diplomas, degrees and other academic qualifications said individuals possess. Further, by and through the use of the aforesaid acts and practices, respondents place in the hands of operators of schools accredited by National Educational Accrediting Association, the means and instrumentalities by and through which they may mislead and deceive prospective students as to the status of such schools.

PAR. 7. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, correspondence schools, residence colleges and universities of various kinds and nature engaged in offering education, training and instruction.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were, and are, true and to induce a substantial number thereof to purchase said courses of instruction, diplomas, certificates of accreditation.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

Mr. Robert J. Hughes and *Ms. Barbara Metsky* supporting the complaint.

Mr. Jerry Weiner and *Mr. Jerry Lippe*, Columbus, Ohio for respondents.

Initial Decision

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INITIAL DECISION BY WALTER K. BENNETT, HEARING EXAMINER

FEBRUARY 26, 1971

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PRELIMINARY STATEMENT

This is a proceeding under Section 5 of the Federal Trade Commission Act.¹ In its complaint mailed August 4, 1970, the Federal Trade Commission charges that the respondents (comprising two corporations, a sole proprietorship and four individuals) have made false statements and representations regarding their products and services in advertisements, circulars, brochures, pamphlets and other advertising and promotional material and that by such statements and through the use of words "college," "association" and "society" they have falsely represented, directly or by implication, that:

1. Respondent Ohio Christian College (of Calvary Grace Christian Churches of Faith, Inc.) is a non-profit residence school which offers residence instruction by a staff of faculty members who are trained and competent to teach the courses of a properly accredited and recognized college and it offers a curriculum which is accredited by a recognized accrediting agency.

¹ "Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are declared unlawful." (15 U.S.C. 45)

